



5 July 2016

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Dear Terence

**Consultation Paper 257 Improving disclosure of historical financial information in prospectuses:
Update to RG 228**

CPA Australia represents the diverse interests of more than 155,000 members in 118 countries. Our vision is to make CPA Australia the global accountancy designation for strategic business leaders. We make this submission on behalf of our members and in the broader public interest.

CPA Australia supports the proposals set out in the Consultation Paper seeking to enhance the transparency and integrity of financial information provided as part of prospectuses.

However, whilst we support the introduction of enhanced reporting aimed at investor protection, without sufficient clarity around the actions the Australian Securities and Investments Commission (ASIC) will take in the case of non-compliance, the proposals could be interpreted as mere red tape. We note reference to ASIC intervention in the case of non-compliance through stop orders, but we believe there should be further articulation of other regulatory actions ASIC will take when non-compliance is identified. Particularly, it will be helpful if RG 228 highlights the actions ASIC will take when non-compliance is identified at a later stage after the initial public offering or other fundraising event has occurred.

For further information, please contact Ram Subramanian, CPA Australia's Policy Adviser - Reporting on (03) 9606 9755 or ram.subramanian@cpaaustralia.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Stuart Dignam', written over a light blue horizontal line.

Stuart Dignam
General Manager – Policy & Corporate Affairs